



J. TYLER McCAULEY
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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September 21, 2005

TO: Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley 
Auditor-Controller

SUBJECT: **CHILDRENS HOSPITAL LOS ANGELES CONTRACT REVIEW – CAL-
LEARN CASE MANAGEMENT SERVICE**

We have completed a contract compliance review of Childrens Hospital Los Angeles (Childrens Hospital or Agency), a Cal-Learn Case Management Service contractor. The review was conducted by the Auditor-Controller's Countywide Contract Monitoring Division.

Background

The Department of Public Social Services (DPSS) contracts with Childrens Hospital, a non-profit, community based organization that assists teen parents in completing their high school education. The Agency's services include recruiting and enrolling eligible participants, identifying unmet supportive services needs, and providing ongoing counseling and monitoring of participants' progress in the program. The Agency also develops comprehensive case plans to assist participants in completing their high school education. The Agency is located in the Third District.

DPSS pays Childrens Hospital a fixed rate of \$161 per case per month. For Fiscal Year 2003-2004, DPSS paid the Agency approximately \$500,000.

Purpose/Methodology

The purpose of the review was to determine whether Childrens Hospital provided the services outlined in their Program Statement and County contract. We also evaluated

"To Enrich Lives Through Effective and Caring Service"

the Agency's ability to achieve planned services and staffing levels. Our monitoring visit included a review of the Agency's billing statements, case files, time records and performance outcome measures. In addition, we interviewed the Agency's staff and program participants.

Results of Review

Overall, Childrens Hospital provided the services required by the County contract using the appropriate number of staff. In addition, Childrens Hospital staff met the qualifications required by the County contract. The program participants stated that the services they received from the Agency met their expectations.

Childrens Hospital met their performance outcome standards for the percentage of participants enrolled in school and the percentage of participants providing report cards. However, Childrens Hospital did not achieve their performance outcome standard of 50% of the program participants completing their high school education. During the period of our review, Childrens Hospital achieved a 33% graduation rate. In an effort to improve the graduation rate, Childrens Hospital stated that they are currently re-training all Agency staff and have started an independent study program for the program participants in an effort to further assistance them towards completing their high school education and improving the Agency's graduation rate.

The details of our contract compliance review are attached.

Review of Report

On June 28, 2005, we discussed our report with Childrens Hospital who concurred with our report. In their attached response, Childrens Hospital Los Angeles' management indicates general agreement with our report. We also notified DPSS of the results of our review.

We thank Childrens Hospital for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1102.

JTM:MMO:DC

Attachment

c: David E. Janssen, Chief Administrative Officer
Bryce Yokomizo, Director, Department of Public Social Services
Carla Hill, Manager, Project Nateen, Childrens Hospital Los Angeles
Public Information Office
Audit Committee

**COUNTYWIDE CONTRACT MONITORING DIVISION
CAL-LEARN CASE MANAGEMENT SERVICES
FISCAL YEAR 2004-2005
CHILDRENS HOSPITAL LOS ANGELES**

BILLED SERVICES/CLIENT VERIFICATION

Objective

Determine whether Childrens Hospital Los Angeles (Childrens Hospital or Agency) provided the services billed in accordance with their County contract and the program participants actually received those services.

Verification

We sampled 10 program participant case files and reviewed the documentation contained in the case files to support the Agency's compliance with the County contract. In addition, we reviewed the comprehensive case plans developed by the Agency to assist participants in completing their high school education. We also interviewed 25 program participants. Our sample represents \$16,091 out of a total of \$175,392 that Childrens Hospital billed the Department of Public Social Services (DPSS) for July, August, September and October 2004.

Results

Childrens Hospital provided the services required by the County contract. All 10 participant case files contained documentation to support participant's eligibility, identified their supportive needs, and that the Agency provided counseling. Childrens Hospital also developed comprehensive case plans to assist the participants in completing their high school education. In addition, the 25 participants interviewed stated that the services they received met their expectations.

Recommendation

There are no recommendations for this section.

PERFORMANCE OUTCOME MEASURES

Objective

Determine whether Childrens Hospital met the performance outcome standards required per the County contract. The outcome standards require that 60% of the participants are enrolled in school and 50% of the students provide Childrens Hospital a report card. In addition, 50% of the students must complete their high school education.

Verification

We reviewed Childrens Hospital's semi-annual and annual Performance Measure Reports for the period December 1, 2003 through November 30, 2004 to ensure the Agency's compliance with the County contract.

Results

Childrens Hospital met their performance outcome standards for the percentage of participants enrolled in school and the percentage of participants providing report cards. For the review period, 69% of all participants were enrolled in school and 55% of all participants enrolled in school provided timely report cards.

However, Childrens Hospital did not meet their performance outcome standards for participants completing their high school education within the acceptable quality levels. Specifically, only 33% of all participants that were enrolled in school completed their high school education.

Childrens Hospital indicated that they are currently re-training all Agency staff and have started an independent study program to provide on-site education training to the participants to ensure that Childrens Hospital meets the high school education standards.

Recommendations

1. **Childrens Hospital management monitor the results of their recent actions to improve the Agency's graduation rate. If the actions do not result in the Agency achieving a 50% graduation rate, Childrens Hospital management submit a corrective action plan to DPSS with additional steps it will take to elevate the graduation rate to the outcome standard.**

SERVICE/STAFFING LEVELS**Objective**

Determine whether Childrens Hospital's actual service and staffing levels did not significantly vary from planned levels.

Verification

We reviewed invoices for July, August, September and October 2004 and compared them to the Agency's proposed service level for the same period. We also interviewed 10 of Childrens Hospital's staff and reviewed Childrens Hospital's employee roster.

Results

For July, August, September and October 2004, Childrens Hospital's reported service level averaged 273 participant cases per month. This represents a decrease of 20% from the budgeted participant service level of 340 participant cases per month. The decrease was due to a reduction in the number of cases referred to the Agency by DPSS. For the same period, the Agency reduced their actual staffing level to nine full time equivalent (FTE) staff which is 31% below the planned staffing level of 13 FTE staff. Childrens Hospital indicated that they monitor their staffing level to be consistent with the changes in the service level.

Recommendation

There are no recommendations for this section.

STAFFING QUALIFICATIONS**Objective**

Determine whether Childrens Hospital's staff met the qualifications for employment as requested by the County contract.

Verification

We reviewed the personnel files for ten program staff for documentation to confirm staff qualifications.

Results

Each staff reviewed met the required education and work experience qualifications. In addition, each staff met the bilingual requirement and received the appropriate background checks.

Recommendation

There are no recommendations for this section.



**PROJECT NATEEN-DIVISION OF ADOLESCENT MEDICINE
AFLP/CAL~LEARN CASE MANAGEMENT**

June 28, 2005

J. Tyler McCauley
Los Angeles County Auditor-Controller
500 W Temple, Room 525
Los Angeles, CA 90012

Dear Mr. McCauley:

Contract Review Response

I have reviewed the report issued by your Department and am in general agreement with the findings and recommendations. However, while the report indicates that Project NATEEN did not meet its Program Measures for high school graduation, it is our program's contention that these program measure numbers are artificially inflated and are in fact higher than the graduation rate for the Los Angeles Unified School District.

According to a study dated March 24, 2005 conducted by Harvard University (*Confronting the Graduation Rate Crisis in America*), in the state's largest school district, Los Angeles, only 48% of Black and Latino students who start 9th grade complete grade 12 four years later. Thus, requiring a graduation rate of 50% for a group of primarily Black and Latino girls who have babies and other psychosocial issues to face is slightly unreasonable.

The administrators of Project NATEEN are working closely with the case management staff to improve the graduation rate of our youth, including retraining staff around issues of school enrollment. We are also working toward improving relationships with several school sites in our service area. Finally we have implemented an independent study school program at the NATEEN office in conjunction with the Los Angeles County Office of Education.

Please call me if you have any questions at (323) 669-5981.

Sincerely,
Carla Hill
Program Manager
Children's Hospital Los Angeles
Project NATEEN